



U. S. Department of Commerce Charge Card Management Plan

Version History

Version	Date	Author
1.0	3/31/2006	Dao Vissering
2.0	3/01/2007	David Carter
	3/15/2007	Fred Fanning
3.0	1/28/2008	David Carter
3.1	6/30/2008	David Carter
3.2	1/30/2009	David Carter
3.3	1/29/2010	David Carter

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1. Introduction

As required by **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs**, this plan outlines the policies and procedures within the Department of Commerce (DOC) that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, abuse, and delinquency. This document is intended to be a living document and will be updated as changes occur within DOC's charge card program.

The Department's SmartPay® 2 servicing bank is JP Morgan Chase/MasterCard association for all commercial charge card services (purchase, travel and fleet business lines). JP Morgan Chase's automated solution includes PaymentNetG reporting tool and Account Center web based card application tool. MasterCard association's automated solution includes Expert Monitoring System (EMS), a comprehensive risk management tool, and their Enhanced Merchant Reporting (EMR) tool. These resulting solutions and business process changes will enhance the Department's charge card programs and are reflected in this update to the DOC Charge Card Management Plan.

2. Personnel Management

2.1 Key management officials

This section provides a list of the key card program management officials associated with the charge card program within the agency, along with their title and responsibilities. The key officials for each program are listed in the tables below.

Charge Card Program		
Name	Title	Responsibilities
Darryl Anderson	Contracting Officer	Contracting Officer for DOC SmartPay2 Task Order
David Carter Ebony Jackson	Program Manager Purchase Card Level 1 APC	Provides policy leadership in acquisition and procurement management.
Trina Boyce	Travel Card APC Level 1	Travel card program
Eston Lewis	Fleet Card APC Level 1	Fleet card program
Kim Fleming Robin Carpenter Jan Stephens Karen Daniels Ray Staniewski Jennifer Passaro Mike McConnell Tracey Cureaux Carolyn Hedgpeth Shannon McIlroy	Purchase Card APC Level 2 Purchase Card APC Level 2 Purchase Card APC Level 2 Purchase Card APC Level 2 Purchase Card APC Level 2 Purchase Card APC Level 2 Director, CBC Purchase Card APC Level 2 Purchase Card APC Level 2 Purchase Card APC Level 2	OSEC and OIG ITA HQ Domestic ITA HQ Overseas Census Bureau NIST, NTIS and EDA USTPO CBC NOAA - AGO, ERAD, NOAA - CRAD, MRAD, NIST Boulder NOAA – WRAD, BIS, MBDA, BEA, NTIA, and ESA

2.2 Process for appointing cardholders and Approving Officials (AOs)

This section outlines agency policies and procedures, by program, for appointing cardholders and Approving Officials (AOs).

Purchase Card Program

The Head of the Contracting Office (HCO) has the overall responsibility for managing the purchase card program, including convenience checks, within an operating unit. The HCO approves the issuance of individual purchase cards and delegates management responsibilities in writing to the Agency Program Coordinators (APC), approving officials and cardholders.

Employees applying for contractor-issued Government purchase cards are nominated by their approving official. All cardholder nominees for purchase card authority, as well as approving officials, must complete the following training: GSA purchase card web based training, Section 508 Rehabilitation Act, Ethics, and the servicing bank's electronic access training prior to issuance of an account or establishment as an approving official. In addition, all purchase cardholders and approving officials are responsible for reading the DOC Purchase Card Program outlined in Commerce Acquisition Manual (CAM) 1313.301. The applicant's nomination package must include proof of successful completion of required training (copies of training certificates). The approving official signs the application prior to submission to their servicing APC for processing. Approving officials cannot be subordinate to cardholders and are generally held to 1:7 ratios of approving officials to cardholders. HCOs delegate acquisition authority to approving officials and cardholders.

The GSA SmartPay® 2 Government Charge Card Program established convenience checks under the Purchase Card Program. Convenience checks are check-like payment instruments which are an integrated part of the purchase card program and can not be issued without a purchase card, regardless of business line. The day-to-day management and ownership of convenience checks issued under the purchase card program is delegated to the HCOs. Oversight and surveillance of the convenience checks are the ultimate responsibility of the HCO and is delegated to the APC in the Delegation of Authority Memorandum. Internal control reviews require 100% surveillance and copies of all reports are required to be sent to the DOC Charge Card Program Manager.

The use of convenience checks issued under the purchase card program is minimized and alternatives to the convenience check are encouraged. Convenience checks are not issued for merchants that accept the Government Commercial Purchase Card. In SmartPay 2, the Department has improved management internal control capability to manage convenience checks by using the servicing bank's online electronic access system. Electronic images of cancelled convenience checks are made available in the servicing bank's electronic access system and check writers are required to enter level 3 transaction data for goods or service purchased.

Travel Card Program

The use of the servicing bank's Government travel charge card is mandatory for all Departmental employees who travel five (5) times or more per year on official business, unless an exemption has been granted. The use of the card is limited to expenses incurred incidental to officially-authorized Government travel. Use of the card other than in connection with officially ordered travel is strictly forbidden.

Employees applying for a Government travel card must complete the GSA Cardholder Training. Once training is completed, the applicant must provide proof of successful completion of required training (copies of training certificates) to the APC. Upon receipt of application packages the APC completes the application process in the servicing bank's electronic access system. The servicing bank performs credit worthiness checks on new applications prior to issuing a travel card. The APC provides the cardholder with information to access the servicing bank's electronic access system, and directs the cardholder to the servicing bank's online training. The cardholder

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and approving official completes and signs the "Employee/Approving Official Acknowledgment Statement" and the travel card application is submitted to the servicing APC for processing.

Fleet Card Program

GSA Leased Vehicles: DOC uses the GSA Fleet Card for leased vehicles. A local GSA Fleet Management Center assigns a card to a vehicle and that card is used only for the vehicle identified on the card. Purchases for maintenance and repair services are limited to \$100 without prior approval. If repairs on a vehicle exceed \$100, the vendor must contact the GSA maintenance control center for repair authorization. If a vehicle requires after-hours emergency repairs when the maintenance control center is closed, the GSA service provider (Wright Express) can authorize purchases up to \$500. In the event of an emergency that renders the vehicle unsafe to operate, the driver must call the GSA service provider to receive authorization for repairs up to \$500. The driver must call the maintenance control center during the next regular business day to report completed repairs.

Agency Owned Vehicles: DOC Fleet Managers utilize JP Morgan Chase/MasterCard charge card management tools and services for agency-owned and commercially-leased vehicles. Fleet cards are assigned to vehicles, not to individuals. The fleet card APC is responsible for card issuance, cancellation and maintenance. The Fleet Manager is responsible for implementing the program, including oversight and compliance with policy and procedures, regulations, and for disseminating appropriate information to the billing office. The Fleet Manager may be designated as APC for fleet cards under their purview. The approving official is responsible for certifying all transactions made by vehicle operators and ensuring applicable documentation is maintained.

2.3 Procedures at employment termination or transfer

This section outlines the procedures taken by the agency when an employee terminates employment within the Federal government or transfers to a different agency or transfers within the same agency.

Purchase Card Program

When transferring between operating units within DOC or leaving the agency, the cardholder must notify his or her approving official and the APC. The card will be cancelled or transferred to the new agency hierarchy. When leaving, retiring, or transferring to another Government agency, the cardholder must return the card to the approving official. The approving official is responsible for determining when to close the account based on the outstanding transactions and notifies the APC via email to close the account. The APC closes the account real-time via the servicing bank's online system. The cancellation of the card is done immediately and the card is destroyed by the APC. Failure to comply with these procedures may result in a delay of official employee checkout.

Travel Card Program

When transferring between operating units within the Department, employees are not issued a new card. Therefore, notification of transfer is required. The APC of the losing bureau must notify the APC of the gaining bureau and the level 1 APC to make the hierarchy alignment change. When a cardholder resigns, retires, or transfers to another Government agency, the cardholder must return the destroyed card to their APC for cancellation. The APC verifies if there is an outstanding balance based on the cardholder's last statement and sends a report to their Human Resource Office. It is the cardholder's responsibility to pay all outstanding balances on individually billed travel cards. If the cardholder fails to pay the account, the serving bank or its collection agency will contact the cardholder. The serving bank or its collection agency may use whatever lawful garnishment and salary offset remedies that may be available in the collection process, including reports to credit bureaus as per the servicing bank's individually billed travel cardholder agreement. When the travel cardholder signs the back of the Government travel card, they agree to the terms and conditions of the servicing bank's individually billed travel cardholder agreement.

Fleet Card Program

There are no fleet card procedures for employee termination or transfer because fleet cards are assigned to the vehicle, not the driver.

3. Training

3.1 General

This section summarizes agency general training requirements that are relevant for all charge card program participants. Explain your agency's procedures for training.

All charge card program participants, regardless of level or responsibilities, receive training prior to appointment or issuance of a card and, as prescribed by Appendix B of OMB Circular A-123, DOC requires all charge card program participants to take refresher training annually. Specific procedures for training are explained below.

3.2 Purchase card program

Cardholders, approving officials, and agency program coordinators shall document satisfactory completion of required training prior to nomination and appointment to the purchase card program. In addition, cardholders, approving officials, and agency program coordinators shall certify in writing that they have read and understood the policies and procedures outlined in Commerce Acquisition Manual 1313.301.

Cardholders and Approving Officials

Single Purchase Limit up to the Micro-purchase Threshold

The single purchase limit for cardholders who are not in an acquisition position is generally the micro-purchase threshold. Prospective cardholders requesting a single purchase limit up to the micro-purchase threshold must document satisfactory completion of the following training:

- GSA SmartPay® Online Training
<http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>
- Section 508 Compliance Online Training
<http://www.section508.gov/index.cfm?FuseAction=RegisterUniverse>
- CLM 003 Ethics Training for Acquisition or equivalent Government Ethics Training
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>.
- Servicing Bank's Electronic Access Systems Training

Single Purchase Limit above the Micro-purchase Threshold

Single purchase limits above the micro-purchase threshold is limited to cardholders who meet the contracting officer warrant requirements as outlined in Commerce Acquisition Manual 1301.6. Individuals requesting single purchase limits above the micro-purchase threshold must meet the Federal Acquisition Certification in Contracting (FAC-C) training, education and experience requirements for the applicable warrant level, as outlined in CAM 1301.6. The maximum single purchase limit for cardholders who are not in the General Schedule 1102 contracting series or 1105 purchasing series is \$100,000. Prospective cardholders requesting a single purchase limit above the micro-purchase threshold shall document satisfactory completion of the following training:

- GSA SmartPay® Purchase Card Training
<http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>
- Section 508 Compliance Online Training
<http://www.section508.gov/index.cfm?FuseAction=RegisterUniverse>

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- CLM 003 Ethics Training for Acquisition or equivalent Government Ethics Training
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- CON 100 Shaping Smart Business Arrangements
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- CON 110 Mission Support Planning
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- CON 111 Mission Planning Execution
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- CON 112 Mission Performance
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- CON 120 Mission Focused Contracting
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>
- Servicing Bank's Electronic Access Systems Training

Agency Program Coordinators

Individuals appointed as agency program coordinators shall document satisfactory completion of the following training:

- GSA SmartPay® Purchase Charge Card A/OPC Training
<http://apps.fss.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm>
- Section 508 Compliance Online Training
<http://www.section508.gov/index.cfm?FuseAction=RegisterUniverse>
- CLM 003 Ethics Training for Acquisition or equivalent Government Ethics Training
<https://www.atrrs.army.mil/channels/faitas/student/logon.aspx?caller=1>.
- Servicing Bank's Electronic Access Systems Training

3.3 Travel card program

Cardholders

All travel card applicants must complete the GSA online training course for travel cardholders available at <http://fss.gsa.gov/webtraining/trainingdocs/traveltraining/index.cfm>, and obtain a completion certificate. The certificate must be forwarded to the cardholder's APC. Refresher training is required every three years, and the certification must be forwarded to the cardholder's APC.

Agency/Organization Program Coordinators (APCs)

All APCs are required to complete the GSA online training course at <http://apps.fss.gsa.gov/webtraining/trainingdocs/travel%20AOPCquiz/index.cfm>. After completion, they must obtain a certificate and forward it to the level 1 APC. Refresher training is required every three years, and the certification must be forwarded to the level 1 APC. All APCs are encouraged to participate in scheduled APC meetings held quarterly, or as necessary; participate in contractor-provided user training; and attend any travel card meetings or conferences.

3.4 Fleet card program

DOC drivers utilize training on the GSA web-site. The training includes "dos and don'ts," reporting of lost or stolen cards, types of purchases, and bank contact information. In addition, DOC fleet operators use the pamphlet titled "Helpful Hints for Fleet Card Use," which provides GSA customer information for the fleet service cards. In addition, attendance at the GSA Annual Fleet Conference is encouraged as it offers opportunities for training and updates regarding the latest fleet requirements.

3.5 Record Keeping

This section summarizes agency procedures for documentation and record retention.

Purchase Card Program

As required by FAR 4.805 and GAO Report GAO-08-368R, cardholders are required to keep copies of all documents pertaining to each purchase for 3 years, including:

- Request for purchase with available funds, signed and dated by the requester;
- Required pre-approvals;
- Copy of online transaction, cash receipt, itemized receipt, or faxed verification of order;
- Delivery receipt or packing slip;
- Copy of CD-509, if accountable property;
- Memorandum to the file to explain any unique circumstances for the transaction; and
- Independent receipt and acceptance or subsequent review of items obtained with the purchase card.

Travel Card Program

For the travel card program, the operating unit APC maintains a separate file for each employee that contains a copy of the charge card application, an acknowledgement statement, and the training certification.

Fleet Card Program

Each operating unit has a Fleet Manager who is responsible for requesting new and replacement charge cards. The operating unit APCs maintains all records for fleet cards under their purview.

3.6 Ensuring effectiveness of training requirements

This section outlines agency procedures for ensuring that training policies and procedures remain current and effective.

Both DOC purchase and travel card programs have essentially similar training requirements, i.e. all DOC cardholders utilize the GSA web-based on-line course for basic training, and all cardholders and approving officials must take refresher training. However, the purchase card program requires more extensive training. Additional training may be required to update cardholders and approving officials on operating unit procedures, relevant regulatory changes and/or internal policies/procedures of the servicing acquisition office. Annual reviews are conducted to identify areas of weakness and training needs.

4. Risk Management

4.1 Creditworthiness policies and procedures

This section summarizes agency policies and procedures regarding creditworthiness and performing credit checks.

Travel Card Program

DOC implemented creditworthiness checks for all new applicants to the Department's travel card program under the SmartPay® 2 program. All applications receive either a pass or restricted identifier. If notice is received that an employee has been identified for a restricted card, a reduced spending limit will be put into place based upon the operating unit's business needs and Departmental guidelines. If the Department receives an intra-government employee transfer and the employee applies for a travel card, a new credit check will be conducted.

Fleet Card Program

Creditworthiness policies are not applicable to the DOC Fleet Card Program. The cards are issued to the vehicle, not the employee.

4.2 Controls, practices, and procedures related to Centrally Billed Account (CBA) delinquencies

This section outlines agency risk management procedures in regard to CBA delinquencies.

Purchase Card Program

A Statement of Account is sent to the individual cardholder from the servicing bank and lists all purchases made in the previous 30-day billing cycle. The billing cycle date for DOC cardholders is the 3rd of the month. If a Statement of Account has not been received by the cardholder within 10 working days after the close of the billing cycle, the cardholder must access the statement on the bank's online system. Cardholders and approving officials must ensure that statements are promptly reconciled. Where automated systems are not in place, the statement must reach the servicing finance office within 15 days after receipt. If a cardholder knows in advance that they will be absent and not available to reconcile the Statement of Account, the cardholder must forward all appropriate documentation (sales receipts, credit vouchers, etc.) to the approving official. The approving official will reconcile, sign and forward a copy of the statement to the servicing finance office. When the cardholder returns, they must sign the original statement and forward it to the servicing finance office and retain the original transaction documentation. In most cases, the reconciliation takes place within the DOC system and must be completed by the finance designated sweep date. Reminders are sent to cardholders and approving officials each month. If the cardholder is not able to reconcile within the allotted time period, the approving official must ensure the reconciliation is completed in a timely manner before the sweep date. Reconciliation reports are available to approving officials in the servicing bank's system.

Cardholder accounts are monitored by APCs for repeated instances of delinquent reconciliations by cardholders and delinquent approvals by approving officials. Appropriate actions are taken (e.g., suspension/cancellation of authority) for repeated instances of delinquent reconciliations/approvals.

Travel Card Program

A Statement of Centrally Billed Account is posted online in the servicing bank's electronic access system and available to the designated invoice processing personnel. A paper copy is also sent to the designated invoice processing personnel for the previous 30-day billing cycle.

Fleet Card Program

A Statement of Centrally Billed Account is posted online in the servicing bank's electronic access system and available to the designated invoice processing personnel. A paper copy is also sent to the designated invoice processing personnel for the previous 30-day billing cycle. DOC's operating unit Fleet Manager, or designated employee, reviews all invoices prior to forwarding vouchers to their financial offices for payment. Disputes are processed online in the servicing bank's electronic access system.

4.3 Controls, practices, and procedures related to Individually Billed Account (IBA) delinquencies

This section outlines agency risk management procedures in regard to IBA delinquencies.

Travel Card Program

The servicing bank notifies the Department when cardholder accounts have become delinquent. As necessary, the Department APC notifies the operating units who have delinquent travel cardholders. In appropriate circumstances, the employee's supervisor may take disciplinary action in accordance with Department Administrative Order 202-751, entitled Discipline. The operating unit APCs also have access to the servicing bank's delinquency reports via the servicing bank's reporting system for cardholder account monitoring purposes.

Implementation of the E-GOV Travel System will result in "split pay," which will provide for electronic payment of the travel card balance, for all vouchers processed through the system.

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Direct payment of travel card charges by the Government when the voucher is filed will reduce the incidence of delinquent payments by cardholders.

4.4 Controls, practices, and procedures related to charge card misuse and abuse

This section outlines agency risk management procedures in regard to charge card misuse and abuse.

Any intentional or unintentional violation of the policies and procedures for purchase, travel and fleet card and/or convenience check usage is considered misuse. Fraud is a criminal form of misuse involving willful deceit, misrepresentation of facts, or other practices designed to harm or deprive another of his or her rights, usually involving deception for personal gain. The distinction between misuse and fraud is dependent upon the facts of each case. All DOC participants in the DOC purchase card program are responsible for preventing fraud and the conditions that lead to fraud. Fraud often occurs when two or more individuals collude to circumvent the management controls in place to prevent fraudulent practices. Collusion may occur between merchants and cardholders, cardholders and approving officials, or between purchase card program participants and other employees. Employees are required to report all instances of suspected fraud and misuse.

All DOC employees are responsible for reporting cases of suspected fraud or misuse of the purchase card, travel card, fleet card, and convenience checks to the Office of Inspector General. Employees may report suspected fraud or misuse using the hotline complaint information in the table below:

DOC Office of Inspector General Hotline Complaint Information		
Phone	Mail	Web
Phone: 202-482-2495 Toll Free 800-424-5197 Fax: 202-482-2803 TDD 800-424-5197 TDD 202-482-5923	US Department of Commerce Office of Inspector General Hotline P.O. Box 612 Ben Franklin Station Washington, DC 20044	E-mail: hotline@oig.doc.gov Online Hotline Complaint Form: www.oig.doc.gov/oig/hotline/000015.html

Purchase Card Program

Specific risks associated with the DOC purchase card program include open Merchant Category Codes (MCCs). The missions of the Commerce operating units are so varied that placing restrictions on MCCs may potentially impact the operating unit's mission.

Examples of policies and procedures to mitigate risks include:

- Use of MasterCard's Enhanced Merchant Reporting Tool (a comprehensive reporting and custom query export tool) to monitor questionable MCCs. APCs also use MasterCard's Expert Monitoring System (a rule based data mining, control and compliance tool with scheduled reports) to monitor questionable transactions daily. The expert monitoring system solution is a comprehensive risk management tool for policy compliance monitoring, profiling and data mining, fraud detection, fraud prevention, and case management reporting. The Department electronically monitors 36 questionable MCCs 24 hours per day, 7 days a week. Findings are immediately sent via e-mail to the servicing program coordinator for further review. Responses are documented in the servicing bank's tool.
- APCs review monthly MCC reports for the billing cycle transactions. APCs utilize the servicing bank's online system to review statements.

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- Each quarter, DOC staff reviews the accounts payable report that shows all payments made to the servicing bank to ensure that duplicate payments are not made.
- APCs are required to perform quarterly and annual reviews of the cardholders under their purview in order to evaluate the effectiveness and efficiency of the purchase card program policy, procedures, and internal controls.

The Government purchase cards (and convenience checks) are for official use only. Personal purchases and purchases of any unauthorized products or services are not permitted. Violations of DOC purchase card policies and procedures may result in immediate cancellation of the card and disciplinary action against the cardholder and/or approving official. The range of disciplinary actions, which may vary with the severity of the infraction, are applied in accordance with DOC employee relations, legal, and management guidelines. Disciplinary actions may include card suspension or cancellation and/or reimbursement by the cardholder to the agency, as appropriate. Cardholders are subject to disciplinary action under applicable Department Administrative Order (DAO) 202-751, and Government-wide administrative procedures, including suspension and/or removal. Extreme cases may be prosecuted through the court system. Procedures for submitting reports to the Office of Inspector General shall be in accordance with Department Administrative Order 207-10 "Inspector General Investigation."

Cardholders who intentionally misuse their cards may be held personally liable to the Government for the amount of any unauthorized transactions, plus interest and debt collection fees. Approving officials or others who collude with cardholders to misuse the card or to commit fraud, or who use their position or authority to cause misuse of the card, may also be subject to the disciplinary and criminal actions. Agency program coordinators use the table below as a guide for disciplinary measures, coordinating with the Office of Inspector General, Office of General Counsel, Office of Human Resources Management, and the employee's management chain, as appropriate.

Consequences for Purchase Card Misuse and Abuse

Consequences for Purchase Card Misuse and Abuse	
Infraction	Potential Consequences for Infraction
Fraud, Waste, and Abuse Intentional use of the purchase card for unauthorized purchases or the approval of unauthorized transactions	<ul style="list-style-type: none">• Card cancellation• Termination of employment• Fines and/or imprisonment• Salary offset to collect full cost of unauthorized purchases including administrative expenses
False Statements False statements on purchase card records by cardholders and AO's	<ul style="list-style-type: none">• Card cancellation• Reprimand
Personal Misuse Unintentional use of the purchase card for unauthorized purchases	<ul style="list-style-type: none">• Counseling• Cardholder payment to DOC required to cover full cost of unauthorized purchases and possible administrative expenses
Card Transfers Transfer of purchase card to any person other than the cardholder	<ul style="list-style-type: none">• Counseling• Card suspension• Card cancellation
Failure to Maintain Card Security Failure to safeguard physical location of the card and card account information	<ul style="list-style-type: none">• Counseling• Card suspension• Card cancellation

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Travel Card Program

Operating unit APCs review the travel card activity report of all cardholder accounts monthly to identify potential areas of concern. If appropriate, operating unit APCs notify the cardholder's supervisor of any questionable charges/transactions. If charges are identified as misuse/abuse or outside of Departmental policy, the employee's supervisor is authorized, in appropriate circumstances, to take disciplinary action in accordance with DAO 202-751.

Risk	Risk Management Action	Person Responsible
Description of the risk	Description of the strategy to be used to overcome the risk	Personnel responsible for monitoring the risk and executing the risk management action
Cash Advances when not in TDY status	Monitoring of the CD100 travel card usage report	APC will inform Manager/Supervisor of possible fraud based on unusual activity. The Manager/Supervisor will be responsible to act on the information.
Use of card for non-official purposes, furtherance of travel	Monitoring of the CD100 travel card usage report	APC will inform Manager/Supervisor of possible fraud based on unusual activity. Management/Supervisor will be responsible to act on the information.
Charges outside of Federal and or Department of Commerce Travel Policy	Monitoring of the CD100 travel card usage report	APC will inform Manager/Supervisor of possible fraud based on unusual activity. The Manager/Supervisor will be responsible to act on the information.
Note: All managers are required to review these reports monthly and report quarterly on action taken.		

Fleet Card Program

The operating unit Fleet Manager will review the fleet card monthly activity, for all cards assigned to vehicles under their purview, to identify potential areas of fraud, waste and abuse. Fleet Managers who suspect card misuse, fraud, or abuse must immediately notify the APC. The APCs are required to notify the OIG. In addition, APCs, upon learning of suspected fraud or abuse, shall notify the servicing bank and the DOC Charge Card Program Manager to the circumstances. APCs for fleet cards are responsible for taking immediate action to ensure that all instances of suspected fraud or misuse are promptly reported and investigated. The APC shall report misuse to the IG in accordance to DOC DAO 207-10 "Inspector General Investigation." If charges are identified as misuse/abuse or outside of Departmental policy, the employee's supervisor is authorized in appropriate circumstances to take action in accordance with DAO 202-751, entitled Discipline.

4.5 Appropriate authorization controls establishment

The Department uses MasterCard's Expert Monitoring System (EMS), a comprehensive real-time risk management solution tool, to implement and monitor policy compliance, fraud detection, fraud prevention, and to identify card misuse and abuse real-time. EMS is also a robust data mining tool that automatically monitors spending, merchant category codes, and split purchases; tracks and stores multiple investigations; provides status updates; and builds reports on the most common types of abuse and misuse. Authorization controls are established as "rules based" in the hierarchy levels.

4.6 Ensuring effectiveness of risk management controls

This section outlines agency procedures for ensuring that risk management policies and procedures remain current and effective.

The DOC approach for managing the purchase card program is based on a risk management strategy for implementing acquisition reform. The DOC purchase card program includes a variety of management controls designed to minimize purchase card misuse. APCs are responsible for ensuring that management controls under their purview are followed and appropriately used to reduce potential card misuse or abuse. Key management controls are as follows:

- The Office of Acquisition Management, Acquisition Workforce and Policy Division establishes and maintains Department-wide purchase card policies and procedures. The policy is reviewed at least annually for appropriate updates.
- Mandatory training and documentation of successful completion for DOC purchase card program participants is required.
- Individual cardholder purchase limits, and documentation of cardholder limits and authorities are established through Delegated Procurement Authority.
- Approving officials, within the same organization, cannot be subordinate to cardholders.
- Separation of duties is enforced such that a participant in the DOC purchase card program is not permitted to serve in two or more roles for the same transaction, such as performing the duties of both a cardholder and AO, or having the cardholder certify funds availability for purchases to be made with their card.
- Requiring pre-approvals and independent receipt and acceptance or subsequent review of purchase card activities.
- Purchase card internal controls are extended to convenience checks and require 100% review.
- Use of merchant category codes to restrict card use to appropriate merchants.
- Limiting convenience checks to \$3,000 and requiring APC approval before convenience checks are ordered.
- Cardholders are required to document their transactions and maintain purchase card records.
- Cardholders and/or approving officials are required to inventory property obtained with a purchase card in DOC's property management system upon delivery, in accordance with DOC's property management policy.
- APCs are required to review purchase card data and reports from the bank to identify and investigate potential cases of fraud, waste, abuse, or misuse.
- APCs are required to review all approving official accounts and associated cardholder accounts and document reportable cases of suspected fraud, waste, abuse, or misuse of the purchase card.
- Inactive purchase cards are reviewed every eighteen months.

5. Strategic Sourcing

In accordance with the OMB memorandum on strategic sourcing (www.whitehouse.gov/omb/procurement/comp_src/implementing_strategic_sourcing.pdf), agencies are required to implement strategic sourcing for certain commodities, and should analyze purchase card spending data as part of this effort. As of October 1, 2005, the Chief Acquisition Officer (CAO) of each agency was required to identify at least 3 commodities that could be purchased more effectively and efficiently through the application of strategic sourcing,

excluding software that can be purchased under the SmartBuy program. The CAO must annually report to the OMB/OFPP reductions in the prices of goods and services, reductions in the cost of doing business, improvements in performance, and changes in the achievement of socio-economic acquisition goals at the prime contract and, if possible, the subcontract level.

5.1 Strategic sourcing implementation

This section summarizes Department of Commerce practices related to strategic sourcing.

DOC spends approximately \$2.2 billion on goods and services each year. DOC conducted a high-level opportunity analysis to identify three commodity areas where the potential exists for enterprise-wide savings. The analysis revealed that DOC spends a significant portion of its procurement budget in the following commodity areas: Automatic Data Processing and Telecommunication Services, Automatic Data Processing Equipment, Software, Supplies and Support Equipment and Professional, Administrative and Management Support Services.

As part of its overall strategic sourcing initiative, DOC's National Oceanic and Atmospheric Administration (NOAA) participated in a spend analysis project. Under the direction of the spend analysis project, accounts payable files were used to identify opportunities to shift payments to purchase cards rather than through accounts payable. Results revealed that DOC is paying prompt payment interest to suppliers who accept credit cards, and that there exist vast opportunities for benefits (e.g. reduce cost of processing low dollar, high volume payments, increase agency refunds, and confirm compliance with current policies), to warrant further investigation into expanding the spend analysis project Department-wide. The servicing bank will perform a spend analysis of the FY08 and FY09 accounts payable data to identify new opportunities to shift vendor payments to purchase cards. MasterCard's data mining and reporting tools will also be used to support our strategic sourcing initiative to analyze commodities. Also, as part of the overall strategic sourcing initiative, DOC issues task orders under GSA's Government-wide Blanket Purchase Agreement for courier services.

5.2 Ensuring effectiveness of strategic sourcing policies

This section outlines agency procedures for ensuring that strategic sourcing policies and procedures remain current and effective.

The Department in partnership with the servicing bank intends to conduct an in depth spend analysis to find ways to improve the purchase card program. Efforts are underway to use spend analysis data to align various methods of payment to the same vendor with a single solution of using the purchase card as a method of payment for vendors that accept purchase cards. The Department intends to utilize MasterCard's Enhanced Merchant Reporting and Expert Monitoring tools (comprehensive real-time risk management solution tools) to implement and monitor strategic sourcing policies and compliance.

6. Refunds and Tax Recovery

6.1 Refund management

This section outlines agency procedures to promote and ensure the effectiveness of refund management controls.

Sales refund and productivity refunds are offered for each business line transactions, to each operating unit and the Department. The sales refund is accrued daily and remitted quarterly. Productivity refunds can be earned based on each agency's/organization's payment performance. These refunds are in addition to the sales refund. All refunds are recorded at hierarchy level IV and remitted to each operating unit and the Department as specified in the task

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order. Refunds are monitored for accuracy and properly recorded as a receipt to the agency that pays the bill. Any deductions for charge card program operating expenses, including the Commerce Bankcard Center shall be approved by management and equitably allocated to all operating units and the Department prior to refund distribution. All monies above the charge card program expenses, including the Commerce Bankcard Center expenses, are returned to the operating unit and the Department on a quarterly basis. The Office of Acquisition Management performs an annual audit to determine the effectiveness of refund management controls.

6.2 Tax recovery

This section outlines agency policies and procedures to promote and ensure the effectiveness of tax recovery.

DOC cardholders are on notice that all Government purchases are tax-exempt. Tax exemption information is available on the GSA internet site at:

<http://apps.fss.gsa.gov/services/gsa%2Dsmartpay/taxletter/index.cfm>

If the proposed tax is \$10.00 or less, cardholders are directed to ask if the merchant will grant a tax exemption without requiring a tax exemption certificate. Some States no longer allow tax exemption from State taxes and DOC complies with the Treasury Financial Handbook that permits a cardholder to make the purchase as long as the taxes do not exceed \$10.00.

DOC vehicles are assigned JP Morgan Chase\MasterCard fleet cards, and the taxes are automatically taken off at the pump using MasterCard's tax abatement program.

7. Reporting

7.1 Reports

This section outlines the various charge card reports that Department of Commerce utilizes for monitoring delinquency, misuse, performance metrics, and other transactions and program management issues.

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Examples of standard reports that DOC receives, as well as custom and ad hoc are as follows:

Report Name	Type	Description Of Reports
1099 Merchant	Merchant	The 1099 Merchant report can be used to analyze purchases made from 1099 Merchants. The report lists: MCC Code and Description, Merchant Name and Address, Merchant DBA Name, Taxpayer ID, and Dollar Amount.
45-Day	Accounts	The 45-Day report can be used to monitor delinquencies as it identifies accounts that are between 30 and 60 days past due.
Cardholder with Account and MCC Group Limits	Accounts	The Cardholder with Account and MCC Group Limits report can be used to identify account and Merchant Category Code group authorization limits.
Central Bill Reconciliation	Transaction	The Central Bill Reconciliation report can be used to analyze the transactions and accounts that have been charged to Central Bill accounts. The report lists: Central Bill Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Micro-reference, and Amount.

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Report Name	Type	Description Of Reports
Central Bill Reconciliation Summary	Transaction	The Central Bill Reconciliation Summary report can be used to analyze the account activity for cardholders that are attached to a central bill account.
Charge Off	Accounts	The Charge Off report can be used to monitor bad debts. The report lists: Account Name, Account Number, Charge Off Amount, Charge Off Date, Past Due Amount, and Balance.
Delinquencies with Current Balance	Accounts	The Delinquencies with Current Balance report can be used to monitor past due accounts per cardholder. Subtotals are provided for each hierarchy level, as well as grand totals for the entire report. The report lists: Hierarchy, Account Number, Account Name, Past Due Amounts in each of the following categories: 1-30 Day, 31-60 Day, 61-90 Day, 91-120 Day, 121-150 Day, 151-180 Day, Charge-off Amount, and Current Balance.
MCC with Default Account Codes	Merchant	The Merchant Category Code with Default Account Codes report shows all default Merchant Category Codes and description. It includes individual Merchant Category Codes and shows default account codes where appropriate.
Summary Quarterly MCC	Merchant	The Summary Quarterly MCC report summarizes the total number of transactions, total dollar amounts, and average dollar amounts spent per quarter for each Merchant Category Code.
Transaction Audit	Transaction	The report will provide all transaction changes made over a selected date range. This report contains the transaction ID, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.
Socio Economic Report	Merchant	The MasterCard Vendor Socio-Economic report provides the actual and percentage spend in dollars, transactions and number of vendors segmented by the various socio-economic statuses collected by Visa.
Central Bill Reconciliation	Transaction	The Central Bill Reconciliation report can be used to analyze the transactions and accounts that have been charged to Central Bill accounts. The report lists: Central Bill Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Micro-reference, and Amount.
Delinquencies with Current Balance	Accounts	The Delinquencies with Current Balance report can be used to monitor past due accounts per cardholder. Subtotals are provided for each hierarchy level, as well as grand totals for the entire report. The report lists: Hierarchy, Account Number, Account Name, Past Due Amounts in each of the following categories: 1-30 Day, 31-60 Day, 61-90 Day, 91-120 Day, 121-150 Day, 151-180 Day, Charge-off Amount, and Current Balance.
MasterCard Socio Economic	Merchant	The Vendor Socio-Economic report provides the actual and percentage spend in dollars, transactions and number of vendors segmented by the various socio-economic statuses collected by MasterCard
MasterCard Vendor Information	Merchant	The MasterCard Vendor Information is used to support 1099-MISC and socio-economic (Form 1057) reporting needs. The report includes merchant name and address information, MCC, Taxpayer Identification Number (TIN), incorporation status, socio-economic status indicators, PaymentNet Preferred Vendor indicators, and both PaymentNet 1099 indicator and the MasterCard 1099able using MCC procedure indicator.

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Report Name	Type	Description Of Reports
Spending Analysis by Tax ID	Merchant	The Spending Analysis by Tax ID report can be used to analyze the purchases within the following merchant classifications: Sole proprietorship, Partnership, and Unincorporated. Sub-totals for service related and non-service related industries are provided within each merchant classification.

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Report Name	Type	Description Of Reports
<u>Air Travel Activity</u>	Transaction	The Air Travel Activity report can be used to analyze the dollars spent on Air Travel for each account within each level of Hierarchy. Sub-totals are provided for each Hierarchy level, as well as Grand Totals for the entire report. The report lists: Hierarchy, Account Name, Account Number, Traveler Name, Depart Date, Transaction Date, Legs of Travel, Ticket #, and Transaction Amount.
<u>Air Travel Summary by Hierarchy</u>	Transaction	The Air Travel Summary by Hierarchy report summarizes the dollars spent on Air Travel for each account within each level of Hierarchy. Sub-totals are provided for each Hierarchy level, as well as Grand Totals for the entire report. The report lists Hierarchy, Account #, Account Name and Dollar Amount. Contents of the report are best viewed in Excel and PDF format.
<u>Air Travel Summary for CTA</u>	Transaction	The Air Travel Summary for CTA report can be used to analyze the charges to Central Travel Accounts. Sub-totals are provided for each Central Travel Account, as well as Grand Totals for the entire report. The report lists: Central Travel Account Number, Transaction Date, Merchant Name, Ticket Number, Passenger Name, Depart Date, and Transaction Amount. The user must input a central travel account number to run the report.
<u>Airline City Pairs Summary By Carrier/Top Pair</u>	Merchant	The Airline City Pairs Summary by Carrier/Top Pair can be used to identify the most traveled routes for negotiations with Airlines. The report is sorted by Carrier name followed by number of segments per Carrier (with the most frequently traveled legs listed first). The report lists: Carrier, Origination City, Destination City, and Number of Segments. Contents of the report are best viewed in Excel and PDF format.
<u>Airline Spending Analysis by Top Carrier</u>	Merchant	The Airline Spending Analysis by Top Carrier identifies the Airlines used most frequently and can be used for negotiations with Airlines. The report is sorted by Dollar Amount (with the largest amount listed first). The report lists: Carrier, Dollar Amount, Number of Charge Transactions, Average Transaction Amount, and Grand Totals.
<u>Airline Ticket Credit Summary</u>	Transaction	The Airline Ticket Credit Summary can be used to monitor airline credits. The report lists: Ticket #, Depart Date, Passenger, Carrier, Transaction Date, Post Date, Travel Agency and Credit Amount.
<u>Available Limit by Low Available Balance</u>	Accounts	The Available Limit by Low Available Balance report can be used to help monitor cardholders who are nearing their available limit and determine if their credit lines are sufficient. The report includes Account Name, Acct #, Current Balance, Date Balance was Effective, Credit Limit, Cash Limit, and Available Balance.
<u>Lodging Spending Analysis By City</u>	Merchant	The Lodging Spending Analysis By City identifies the cities and lodging establishments where the accounts are being used, and can be used for rate negotiations. The report lists: city, lodging establishment, transaction date, transaction amount, total amount spent per merchant, number of transactions per merchant, average transaction amount per merchant, and grand totals.

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Report Name	Type	Description Of Reports
<u>Lodging Spending Analysis by Top Chain</u>	Merchant	The Lodging Spending Analysis By Top Chain identifies the lodging establishments where the accounts are being used, and can be used for rate negotiations. The report is sorted in order of largest dollar amounts first and lists: Lodging Establishment, Total Amount Spent Per Merchant, Number of Transactions Per Merchant, Average Transaction Amount Per Merchant, and Grand Totals.
<u>Restaurant Spending Analysis By Top Restaurant</u>	Merchant	The Restaurant Spending Analysis by Top Restaurant report identifies Restaurants where the accounts are being used, and can be used for negotiations for events, etc. The report is sorted in order of largest dollar amounts first and lists Restaurant, Total Transaction Dollar Amount, Number of Transactions, Average Transaction Dollar Amount, and Grand Totals.
<u>Spending Analysis by Tax ID</u>	Merchant	The Spending Analysis by Tax ID report can be used to analyze the purchases within the following merchant classifications: Sole proprietorship, Partnership, and Unincorporated. Sub-totals for service related and non-service related industries are provided within each merchant classification. The report lists: Merchant Classification, Merchant Name, Address, City, State, Zip, Tax ID, Merchant Category Code, Current Month Spend, and Year-to-date Spend.
<u>Summary Quarterly MCC</u>	Merchant	The Summary Quarterly MCC report summarizes the total number of transactions, total dollar amounts, and average dollar amounts spent per quarter for each Merchant Category Code. The report lists: Quarter, MCC, MCC Description, Number of Transactions, Total Amount, and Average Amount.
<u>Test Report 123</u>	Accounts	The report will provide all card changes made over a selected date range. This report contains the account number, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.
<u>Transaction Audit</u>	Transaction	The report will provide all transaction changes made over a selected date range. This report contains the transaction ID, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.

Fleet Card Program

Report Name	Type	Description Of Reports
<u>Fuel Purchase Detail Summary</u>	Transaction	The Fuel Purchase Detail Summary can be used to evaluate fuel purchases. The report lists: Account Name, Transaction Date, Merchant Name, Merchant Location, Purchase Amount, Purchase Time, Quantity, Item, Price, and Tax.
<u>Central Bill Reconciliation</u>	Transaction	The Central Bill Reconciliation report can be used to analyze the transactions and accounts that have been charged to Central Bill accounts. Sub-totals are provided for each Central Bill account, as well as Grand Totals for the entire report. The report lists: Central Bill Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Microreference, and Amount. Please note: Activity diverted to a diversion account is not listed on this report.
<u>Central Bill Reconciliation Summary</u>	Transaction	The Central Bill Reconciliation Summary report can be used to analyze the account activity for cardholders that are attached to a central bill account. Sub-totals are provided for each individual and/or central bill account that the transactions are billed to, as well as Grand Totals for the entire report. The report lists: Billed To Account, Diverted From Account Number & Name, Central Bill Account, Number of

Report Name	Type	Description Of Reports
		Transactions and Total Amount. Please note: Activity diverted to a diversion account is not listed on this report.
<u>Summary Quarterly MCC</u>	Merchant	The Summary Quarterly MCC report summarizes the total number of transactions, total dollar amounts, and average dollar amounts spent per quarter for each Merchant Category Code. The report lists: Quarter, MCC, MCC Description, Number of Transactions, Total Amount, and Average Amount.

8. Section 508 of the Rehabilitation Act

8.1 Section 508 Compliance

This section summarizes agency practices related to ensuring that products procured comply with Section 508 of the Rehabilitation Act.

The Section 508 of the Rehabilitation Act of 1973 requires that when Federal departments or agencies develop, procure, maintain, or use electronic and information technology (E&IT), they must ensure that such E&IT allows Federal employees with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by other Federal employees.

Section 508 also requires that individuals with disabilities, who are members of the public seeking information or services from a Federal department or agency, have access to and use of information and data that is comparable to that provided to the public without disabilities.

All procurements including micro-purchases must comply with the requirements of Section 508, including open market buys and those made through government contract vehicles (e.g. GSA Advantage), unless an exception applies (see part 39.2 of the Federal Acquisition Regulation on www.acqnet.gov/far). It is mandatory for all requirement officials including purchase cardholders to comply with Section 508. All DOC purchase cardholders and approving officials are required to complete Section 508 training. The requirement official has the responsibility for making the required determinations and the cardholder must include documentation in their purchase card records. A sample E&IT Procurement Checklist for Section 508 compliance is provided in Commerce Acquisition Manual 1313.301 Purchase Card Program. Purchase card approving officials are required to ensure cardholder compliance when reviewing and approving cardholder documentation of purchases.

9. Environmental Requirements

9.1 Environmental quality of products procured with purchase cards

This section summarizes agency practices related to the environmental quality of products procured with purchase cards.

The Resource Conservation and Recovery Act, Executive Order 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, and the FAR require agencies to purchase environmentally preferable products and services at all thresholds, including purchase and fleet card acquisitions under \$3,000. This includes purchasing bio based, environmentally preferable, energy-efficient, water efficient and recycled-content products.

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When purchasing products or services, all must ensure that those purchases are as environmentally friendly as possible. The aim of buying green is to reduce the environmental and human health damages associated with the Department's purchases by increasing the acquisition of recycled and environmentally preferable products and services to the extent feasible, consistent with the following considerations: price, performance, availability, and environmental safety. Cardholders are required to purchase green products and services to the maximum extent practicable, consistent with the requirements of Federal Acquisition Regulation Part 23 and Commerce Acquisition Manual 1323.70 and Federal green procurement preference programs.

There are many strategies that can be used when purchasing products and services with the idea of buying green. Regardless of the types of products, buyers must give preference to products that in the following categories:

- Recycled Content Products - Products/services in this category are made from post consumer materials. The Environmental Protection Agency (EPA) designates in the EPA's Comprehensive Procurement Guidelines recycled content products that Government agencies must buy. For products that have been designated by EPA, the cardholder must purchase those which contain recycled content as long as they are available, meet performance needs, and are cost-competitive. EPA recommends the required minimum percentage of recycled content that the products should contain (Internet site <http://www.epa.gov/oppt/epp/>).
- Paper- All paper purchases must be at least 30 percent post-consumer fiber content.
- Electronic Products - All electronic products purchased must be Electronic Product Environmental Assessment Tool (EPEAT)-registered electronic products, unless there is no EPEAT standard for such a product. Purchasers should strive for a minimum of a silver rating. EPEAT-registered products may be found at www.epeat.net.
- Energy Efficient Product - Products/services must be purchased that exhibit the Energy Star logo (www.energystar.gov) and are designed to conserve energy during their operation. This also includes energy efficient products that use no more than one watt of standby power or otherwise meet the Department of Energy's Federal Energy Management Program (FEMP) specification (www.eren.doe.gov/femp/procurement).
- Water-efficient products – Products must be purchased that meet EPA's Water Sense Standards. These standards are found at <http://www.epa.gov/watersense/index.htm>.
- Bio-based Products - Products/services in this category must be purchased that are made from renewable, often a biological process by-product, or a domestic agricultural material, including plant, animal and marine materials. These products are natural substitutes for products made from manufactured chemicals and non-renewable resources. Bio-based products are designated by the U.S. Department of Agriculture in the BioPreferred program. Information concerning these products can be obtained from <http://www.biopreferred.gov> or <http://www.ofee.gov>, click on Green Purchasing.
- Reduced Toxicity Hazardous Chemicals - Products/services must be purchased that are green products. These products should be made with few or even no chemicals that have been shown to cause human and environmental health problems. Purchasers should strive to reduce the amount of toxic or hazardous chemicals purchased by substituting these products for more hazardous products. More information may be found at <http://www.epa.gov/oppt/epp/>.